

A JOINT LETTER

From Six Federally-recognized Tribes
in the Kvichak and Nushagak River Drainages of Southwest Alaska:
Nondalton Tribal Council, Koliganik Village Council, New Stuyahok Traditional Council,
Ekwok Village Council, Curyung Tribal Council, Levelock Village Council

May 2, 2010 (mailed May 21, 2010)

Lisa P. Jackson, Administrator
U.S. Environmental Protection Agency, Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dennis J. McLerran, Regional Administrator
U.S. Environmental Protection Agency, Region 10
Regional Administrator's Office, RA-140
1200 Sixth Avenue, Suite 900
Seattle, WA 98101

Re: Tribes request that EPA initiate a public process under Section 404(c) of the Clean Water Act, to protect waters, wetlands, fish, wildlife, fisheries, subsistence and public uses in the Kvichak and Nushagak drainages and Bristol Bay of Southwest Alaska from metallic sulfide mining, including a potential Pebble mine.

Dear Ms. Jackson and Mr. McLerran:

Our federally recognized tribes, from the Kvichak and Nushagak river drainages of southwest Alaska, have government-to-government relations with the United States, and are represented by the undersigned tribal councils. We are writing with assistance of counsel.

Section 404(c) of the Clean Water Act authorizes EPA to prohibit or restrict the discharge of dredge or fill material, including mine wastes, at defined sites in waters of the United States, including wetlands, whenever EPA determines, after notice and opportunity for hearing, that the use of such sites for disposal would have an "unacceptable adverse effect" on fisheries, wildlife, municipal water supplies or recreational areas. EPA may do so *prior* to applications for permits to discharge such material. 40 CFR 231.1(a). "Unacceptable adverse effect" is defined as:

impact on an aquatic or wetland ecosystem which is *likely* to result in significant degradation of municipal water supplies (including surface or ground water) or significant loss of or damage to fisheries, shellfishing, or wildlife habitat or recreation areas. In evaluating the unacceptability of such impacts, consideration should be given to the relevant portions of the section 404(b)(1) guidelines (40 CFR Part 230).¹

¹ 40 CFR 231.2(e) (*italics added*). The purposes of the 404(b)(1) Guidelines are "to restore and *maintain* the chemical, physical, and biological integrity of waters of the United States through the control of discharges of dredged or fill material," and to implement Congressional policies

We request that EPA initiate a 404(c) public process to identify wetlands and waters in the *Kvichak and Nushagak river drainages* of southwest Alaska, where discharges associated with potential *large scale metallic sulfide mining*, could be prohibited or restricted due to such effects. This initial scope would include the Pebble deposit (which straddles a divide between these drainages) and other metallic sulfide deposits in the area of that deposit. (We understand that Kemuk Mountain may be the site of another metallic sulfide deposit.) During such a public process, some members of the public may urge a broader or narrower scope. The “scope” of a 404(c) process is one of many issues that should be resolved through a public process. The deposits in the area of the Pebble claims, which precipitate this situation, should be included.

We are addressing this to both of you because: (1) 40 CFR 231.3(a) provides that a regional administrator makes the decision of whether to initiate a 404(c) public process; (2) in this instance, initiating a 404(c) process effectuates three of EPA’s national priorities,² and three of EPA’s regional priorities;³ (3) initiating a 404(c) process promotes EPA’s goal that decisions be based on science, law, transparency, and stronger EPA oversight;⁴ and (4) doing so is consistent with EPA’s national priorities of increased oversight of mineral processing⁵ and

expressed in the Clean Water Act. The Guidelines establish a rebuttable presumption against allowing any discharge unless it can be demonstrated that the discharge will not have an unacceptable adverse impact “*either individually or in combination* with known and/or probable impacts of other activities affecting the ecosystems of concern.” The Guidelines declare:

From a national perspective, the degradation or destruction of special aquatic sites, such as filling operations in *wetlands*, is considered to be among the most *severe* environmental impacts covered by these Guidelines. The *guiding principle* should be that degradation or destruction of special sites [such as wetlands] may represent an irreversible loss of valuable aquatic resources.

40 CFR 230.1 (*italics added*). The Guidelines address direct, cumulative and secondary effects. 40 CFR 230.11. Secondary effects are those associated with a discharge, but do not result from actual placement of the material, and must be considered prior to agency action under §404. 40 CFR 230.11(h)(1). In this case, a 404(c) process should address potential secondary effects on commercial, subsistence, and recreational fishing and hunting, and public use of parks and preserves. *See* 40 CFR Part 230, subpart F. All are at issue as discussed herein and in attached letter from counsel, and in the briefing paper attached to enclosed letter to State Rep. Edgmon.

² These include: (1) protecting America’s waters; (2) expanding the public conversation on environmentalism and working for environmental justice; and (3) forging strong partnerships between EPA, tribes and states. *See* EPA’s seven national priorities at <http://blog.epa.gov/administrator/2010/01/12/seven-priorities-for-epas-future/#more-636>.

³ These include: (1) working with Tribal Governments to protect and restore the natural resources on which tribal communities rely for their physical, cultural and economic well-being; (2) protecting and restoring watersheds; and (3) promoting sustainable practices and strategic partnerships, including with tribal governments. *See* EPA’s six regional priorities at <http://yosemite.epa.gov/R10/EXTAFF.NSF/Reports/2007-2011+Region+10+Strategy> (last visited Feb. 12, 2010), and EPA’s Region 10 Strategy for Enhancing Tribal Environments at <http://yosemite.epa.gov/r10/EXTAFF.NSF/Reports/07-11+Tribal> (last visited Feb 12, 2010).

⁴ *Id.* Pebble mine also raises issues that may require the assistance of EPA staff in other offices.

⁵ EPA’s national priorities for enforcement and compliance for FY 2008 – 2010 and FY 2011 – 2013 (proposed) are at <http://www.epa.gov/oecaerth/data/planning/priorities/index.html#new>.

increased attention to Environmental Justice. Furthermore, EPA's on-going 404(c) process with respect to the Spruce No. 1 mine in West Virginia indicates that EPA prefers to be proactive, *i.e.*, "to address environmental concerns effectively *prior* to permit issuance."⁶

We make this request for the following reasons.

1. The cultural, ecological and economic importance of the Kvichak and Nushagak river drainages, and the magnitude of a potential Pebble mine, indicate that the scope of a 404(c) public process should be broad at the outset.

Pursuant to 40 CFR 231.3(a), a Regional Administrator's *initial* decision of whether to commence a 404(c) process turns on whether there is "*reason to believe*" that "an 'unacceptable adverse effect' *could* result." (Italics added). This initial decision is based upon "evaluating the information available."⁷

The Kvichak River drainage historically produces more sockeye salmon than any other drainage in the world. Sockeye salmon drive the commercial salmon fisheries of Bristol Bay, which are the state's most valuable salmon fisheries. Within the Bristol Bay drainages, the Nushagak River drainage, also produces vast numbers of sockeye, and produces the largest runs of other species, including chinook, coho, chum and pink salmon. Both drainages are critical to the wild commercial salmon fisheries, subsistence fisheries, internationally famous sport fisheries, and abundant wildlife. The fish serve many onshore, near-shore and offshore uses and ecological functions, including in the North Pacific. The drainages provide water supplies to numerous villages and communities, many of which are substantially populated by Alaska Native people.⁸

The Pebble Limited Partnership (PLP), which seeks to develop the Pebble mining claims, divides them into "Pebble West" and "Pebble East." The former may be susceptible to an open pit mine. The latter (a more recent discovery) may be susceptible to an underground mine.⁹ In

⁶ See EPA, Spruce No. 1 Mine 404(c) Questions & Answers for Web Posting, Oct. 16, 2009 (italics added), http://www.epa.gov/owow/wetlands/pdf/spruce_1_Oct_16_2009_q_and_a.pdf (visited Jan. 26, 2010). EPA took this position when it invoked the 404(c) public process after years of working with the applicant and other agencies. Spruce No. 1 is the largest proposed mountaintop removal operation in Appalachia, would clear 2200 acres, and fill seven miles of streams. By contrast, just the open pit portion of a Pebble mine (per applications filed in 2006 and subsequently suspended) would be about two square miles (over 46,000 acres).

⁷ Because EPA staff has access to EPA's materials, our counsel have prepared an Appendix which lists other potentially relevant documents, from other agencies, the mining claimants, academic or professional publications, professional papers, and presidential documents applicable to environmental issues, tribal relations, and environmental justice. We assume that none would be overlooked and simply call these documents to your attention.

⁸ Nondalton is closer to a potential Pebble mine than any other community. Dillingham's Curyung Tribal Council represents the largest tribe in the Bristol Bay drainages of about 2400 members. Koliganek, New Stuyahok, Ekwok and Levelock are downstream of Pebble.

⁹ EPA routinely recognizes that mine voids, from open pit and underground mines, are sources of acid mine drainage. We call to your attention P. Younger, "*Don't forget the voids: aquatic*

2006, Northern Dynasty Mines, Inc. (NDM)¹⁰ filed, and then supplemented, nine applications with the Alaska Department of Natural Resources (ADNR), and then requested ADNR to suspend them. ADNR did so. Four applications sought to appropriate water. Five sought to construct tailings impoundment dams.¹¹ These nine applications were based *solely* on Pebble West. The surface area of the water of just two tailings impoundments, as then proposed, would have covered over ten square miles (6400 acres). "Beaches" of waste would have surrounded the impoundments created by five dams or embankments up to 740 feet high and several miles long.

The 2006 applications for Pebble West showed that NDM had considered about a dozen potential waste disposal sites. All or many appeared to involve vast wetlands under EPA's jurisdiction. The proposed open pit would have involved about 16.5 miles of 54-inch diameter pipelines to manage discharge tailings, and over two hundred miles of 15-inch diameter pipelines to transport a slurry concentrate for dewatering and ocean shipment from Cook Inlet, and to return used slurry water to the mine facilities. After suspending the applications, PLP has concentrated on exploring Pebble East. It has resulted in more than doubling the amount of potential mine waste, to about ten billion tons of waste. Hence, the questions of where, how and whether the vast volume of waste can be safely and permanently handled are major unresolved issues that involve a vast amount of discharge under Section 404 into a vast amount of wetlands.

Because a Pebble mine, associated facilities, and similar metallic sulfide mines could also have various direct, cumulative, secondary adverse effects in combination with other impacts over a vast area, our tribes recommend that EPA consider a wide geographic area of the Kvichak and Nushagak drainages for purposes of § 404(c), at least initially for a public process. Our reasons include: (1) the importance of the Kvichak and Nushagak drainages for fish, wildlife, and commercial, subsistence and recreational use of fish and wildlife; and the abundance of waters and wetlands that support fish, wildlife and public uses; (2) the location of the Pebble deposit at a divide between Upper Talarik Creek, which flows directly to Iliamna Lake (a significant rearing lake for sockeye salmon) in the Kvichak drainage, and the North and South Forks of the Koktuli River in the Nushagak drainage; (3) the large scale of the deposit and a Pebble mine;¹² (4) the acid generating potential of the host rock, voids, wastes, and dust; (5) the necessity of dewatering a vast area, likely to great depths; (6) the fact that no comparable mine apparently exists in terms of risk to commercial salmon fisheries, subsistence, recreation, and

pollution from abandoned mines in Europe," submitted at the Workshop on Mine and Quarry Waste – the Burden from the Past, held by the Dir. Gen. for the Envir. and Jt. Research Cen. for EU and EC nations, at Orta, Italy, 2002. The paper indicates that voids can vastly exceed waste depositories as sources of water pollution (see Table 1 therein, and discussion); see http://viso.jrc.ec.europa.eu/pecomines_ext/events/workshop/ProceedingsOrtaWorkshop.pdf.

¹⁰ We understand that NDM is the American subsidiary of Northern Dynasty Minerals Ltd., of which an affiliate is apparently a partner in PLP. See announcement of PLP partnership at http://www.northerndynastyminerals.com/ndm/NewsReleases.asp?ReportID=336841&_Type=News-Releases&_Title=Northern-Dynasty-Anglo-American-Establish-5050-Partnership-To-Advance-Pebbl...

¹¹ The applications comprise over 2000 pages. The attached appendix lists the website posting them. A law journal article (listed in the appendix) summarizes these applications.

¹² The financial commitment necessary to develop Pebble mine is huge, for various reasons such as the cost of power, and is inconceivable as a small mine.

abundance of wetlands and water proximate to ground level; (7) the apparent existence of other metallic sulfide deposits in the Pebble area and perhaps at Kemuk Mountain; (8) the likelihood that discharge of dredge and fill material, including mine wastes from a Pebble mine or similar mines, and dewatering, will adversely affect vast amounts of wetlands and waters; (9) the facts that the behavior of metallic sulfide mines is difficult to predict; that the record of preventing water pollution from them is not good; that acid mine drainage is a major risk; and that this risk is perhaps increased by abundance of surface and groundwater;¹³ (10) the facts that Pebble implies a huge quantity of potential mine waste (perhaps ten billion tons), uncertainty over how wastes might be handled, and that pipelines could move wastes to various discharge sites; (11) the immensity of the task of containing contaminants forever, including acid drainage; (12) the magnitude of potential direct, cumulative, and secondary effects on commercial fishing,¹⁴ subsistence and recreation, including in combination with increased population, access and competition for fish and game;¹⁵ (13) the ecological functions that salmon perform throughout their life cycle in marine and fresh waters; (14) the fact that juvenile salmon have been shown to be present in many waters within the Pebble claims where salmon had been undocumented previously for purposes of the state's Anadromous Fish Act; (15) the likelihood that a transportation route to Cook Inlet could implicate significant beach spawning of sockeye salmon in the north-eastern portion of Iliamna Lake; (16) the likelihood that a Pebble mine, its transportation corridor, and nearby settlement areas could adversely affect areas previously identified as by the State as (a) "essential" moose wintering areas, or "important" spring-, summer- and fall moose habitats, (b) "essential" caribou calving grounds, and (c) "essential" brown bear concentration streams; and (17) the vast amount of compensatory mitigation likely to be required and its questionable sufficiency.¹⁶ All these reasons justify a broad initial scope for a 404(c) process.

2. The magnitude of the issues and PLP's recent decision to terminate its Technical Working Groups justify an EPA decision to commence a 404(c) process at this time.

Moreover, the process should be commenced at this time. PLP recently terminated its Technical Working Groups (TWGs), approximately ten in number. They were composed of federal and state officials who, in an advisory capacity, had sought for several years to review and comment upon PLP's baseline study plans before PLP implemented them, and to review results, in order to advise PLP as it progressed toward an environmental impact statement (EIS) under the National Environmental Policy Act (NEPA). During the life of these working groups, information suggests that PLP was not as forthcoming as agency officials had hoped.

¹³ The State of Wisconsin has imposed a moratorium on permits for metallic sulfide mining, by requiring that before permits may issue, a proponent demonstrate one such mine in North America that has operated for ten years without polluting water, and one that has closed for ten years without polluting water. Thus, water pollution at Pebble appears likely.

¹⁴ A listing under the Endangered Species Act of a stock of salmon bound for the Kvichak or Nushagak drainages could affect the commercial fisheries in Bristol Bay.

¹⁵ See accompanying letter from counsel addressing likely effects on subsistence and recreational use from a potential Pebble mine.

¹⁶ For such reasons, much of this issue is characterized as short-term private interests in mining a nonrenewable resource versus long-term public/quasi-public interests in commercial, subsistence and recreational uses of fish, wildlife, waters and other renewable resources on public lands.

PLP's decision to end the TWGs strongly suggests that federal, state and tribal entities may be more likely to face greater informational deficits as they head into an EIS process, than might have been otherwise. Commencing a 404(c) process may help to remedy some of these information deficits before PLP finalizes its design, submits applications, and triggers an EIS.

Because of the magnitude of the issues, all parties (*e.g.*, PLP, federal, state, local and tribal entities, and the public) will benefit from EPA initiating a 404(c) process *before*, and not *after*, PLP submits its anticipated permit applications for a proposed Pebble mine, and *before* an EIS process commences.¹⁷ Moreover, because the potential to invoke a 404(c) process exists, postponing an initial decision to do so until applications are filed serves no affected party.¹⁸

3. EPA should commence a 404(c) public process in part because infirmities in the State's 2005 Bristol Bay Area Plan render waiting for the EIS process impractical.

Our request asks EPA to commence a 404(c) process before an EIS process has begun or run its course. Ordinarily, the analysis of alternatives required by NEPA should provide the information for the evaluation of alternatives under the 404(b)(1) Guidelines. 40 CFR 230.10(a)(4). However, in this instance, infirmities in the State's 2005 Bristol Bay Area Plan (2005 BBAP) render waiting for the NEPA/EIS process impractical.

We are enclosing copies of two other letters, which address the methods that ADNR employed in preparing its 2005 BBAP.¹⁹ It classifies state land, including at Pebble, its access corridor, and nearby settlement lands, into land classification categories and establishes guidelines and statements of intent. The methods used by the 2005 BBAP to do so include:

1. using primarily *marine* criteria, such as whether land is a walrus haulout, to determine whether *inland uplands*, such as those at Pebble, qualify for classification as fish and wildlife habitat (*see* 2005 BBAP, p. 2-9; a link to the 2005 BBAP is in the Appendix);
2. *omission of salmon in non-navigable waters* from the process of designating and classifying land as habitat (*see* 2005 BBAP, pp. 3-323 – 3-330);
3. *omission of moose and caribou* from that process (*see* 2005 BBAP, p. 2-9);
4. lack of a *land use classification category for subsistence hunting and fishing*, while ADNR has a public recreation land category that includes *sport hunting and fishing* (*see* ADNR's land planning regulations at 11 AAC 55.050 – .230 and 2005 BBAP); and then

¹⁷ PLP recently postponed its applications from 2010 until 2011, and may delay further.

¹⁸ Furthermore, a 404(c) process appears to be less costly than an EIS. Facing issues proactively could reduce all costs of agencies, PLP and the public prior to and during an EIS.

¹⁹ One letter, from our counsel to Col. Koenig, of the U. S. Army Corps of Engineers, Alaska District, and Mr. John Pavitt of EPA's Alaska Operations Office, seeks discussions of whether the tribes may be cooperating agencies on any EIS prepared for a proposed Pebble mine. The other, from our six tribes and the Alaska Independent Fishermen's Marketing Association (AIFMA), urges State Rep. Edgmon, while the Alaska legislature is out of session, to facilitate public discussions in the region of whether the legislature should consider legislation to establish a state fish and game refuge or critical habitat area that would include most state land in the Kvichak and Nushagak drainages, including land at the Pebble site.